

INDIANA DEFERRED COMPENSATION COMMITTEE

MARCH 14, 2003

9:00 A.M.

**INDIANA GOVERNMENT CENTER SOUTH -
CONFERENCE ROOM 6**

Trustees in Attendance:

Mike Gery, Chairman

Jeff Heinzmann, Secretary

Betsy Burdick

Mike Puro

Tom Williams

I. CALL TO ORDER

The meeting was called to order by Chairman Gery.

**II. INTRODUCTION OF NEW COMMITTEE MEMBER- MIKE GERY,
CHAIRMAN**

Chairman Gery introduced Jeff Heinzmann as the newest member of the committee. Mr. Heinzmann is Auditor Nass's appointee to the committee.

III. APPROVAL OF MINUTES

Tom Williams moved to approve the minutes from the December 19, 2002, meeting, Betsy Burdick seconded, and the minutes were unanimously approved.

IV. ELECTION OF SECRETARY

Tom Williams nominated Jeff Heinzmann to serve as Committee Secretary. Betsy Burdick seconded, and Jeff Heinzmann was unanimously elected secretary of the committee.

**V. INDIANA STABLE VALUE FUND REPORT- BOB LALLY, DELAWARE
MANAGEMENT COMPANY**

Bob Lally, Delaware Management Company, gave a presentation to the Committee on the current performance of the Indiana Stable Value Fund. He also introduced Ryan Brist who will also be assisting with the Indiana Stable Value fund. A handout of the presentation was prepared and given to the Committee members. Included in the material is a detailed breakdown of the account balance.

The Committee discussed with Mr. Lally the need for a cash buffer. Currently, the Plan has a 10% cash buffer in place. Although a cash buffer is needed, there is no standard for what percentage you have as your buffer. However, most companies do not want the percentage to frequently change. The Committee agreed that they would look into the benefits and drawbacks of changing the percentage maintained as a cash buffer now that the Fund has been established but that it was not the desire of the Committee to make

frequent adjustments to the percentage. Delaware is also hoping to have all contract agreements finalized by the end of April.

Ryan Brist addressed the Committee regarding performance of the Fund especially in regards to securities and commodity pricing issues. Delaware is working to ensure that the Fund assets are safe and perform well in every area.

VI. DISCUSSION OF POTENTIAL RFP REGARDING EVALUATION OF INVESTMENT OPTIONS

Betsy Burdick and Jeff Heinzmann prepared a draft BAA for the Committee to use to search for an investment consultant. The Committee discussed the BAA, as well as, the potential cost to the Committee for such a service. The Committee agreed that it should move forward with the BAA process.

VII. REPORT ON ADMINISTRATION- LESA WILLIAMSON, ING

Lesa Williamson reported that last month ING celebrated its two-year anniversary of service with the Deferred Compensation Plan. Currently, ING is working on education for participants concerning the new portfolio options and updating them on all rule changes including contribution limits. ING has also rolled out the new name of the Plan, Hoosier S.T.A.R.T.

VIII. SECRETARY'S REPORT/RATIFICATION OF PARTICIPATION OF NEW POLITICAL SUBDIVISIONS

Jeff Heinzmann reported that Doris Anne Sadler had approved the resolutions for Attica Public Library's 401(a) plan, and Clay Fire Department's 457 plan prior to her resignation from the Committee.

Jeff Heinzmann moved to ratify approval of the resolutions of Osgood Public Library's 457 and 401(a) plans, and Whiting Public Library's 457 plan. Tom Williams seconded, and the resolutions were unanimously ratified.

IX. OLD BUSINESS

Jeff Heinzmann asked the Committee if there is a need to readdress how often the ISVF crediting rate is reset. In the past, the crediting rate has been reset quarterly. Bob Lally informed the Committee that many other states are moving to resetting their crediting rates monthly. A monthly reset shows more gradual changes in the crediting rate. After the discussion, Tom Williams moved that starting July 1, 2003, the crediting rate would be evaluated and adjusted monthly. Mike Puro seconded, and the Committee voted unanimously to have the crediting rate adjusted monthly.

X. NEW BUSINESS

No new business was brought before the board.

XI. ADJOURNMENT

Chairman Gery adjourned the meeting.